

Melancon Fights for 5-Year Extension of Flood Insurance for Louisiana
July 15, 2010

WASHINGTON D.C. – Today, U.S. Congressman Charlie Melancon (LA-03) voted to authorize the National Flood Insurance Program through 2015 and increase coverage limits for the first time since 1994. 500,000 Louisianians depend on the federal program to protect their homes and businesses. Congressman Melancon also secured an amendment in the Flood Insurance Reform Priorities Act of 2010 to make flood insurance more affordable in many Louisiana communities that have recently had their levee systems decertified by FEMA.

“Many small communities in Louisiana have worked hard to build and maintain their own levee systems, and are now being treated as if they do not have any flood protection at all,” said Congressman Melancon. **“My amendment will eliminate the current ‘all or nothing’ approach that ignores the work communities have done on their own to protect themselves. By requiring FEMA to account for all flood protection systems when determining flood risk and setting rates, my amendment will lower insurance costs for many Louisiana homeowners and small businesses.”**

Chairwoman Maxine Waters, leader of the subcommittee that drafted the flood insurance legislation, said, **“The Melancon provision will make flood insurance more affordable for communities in Louisiana and other flood-prone areas across the country. In my visits to Louisiana, I have seen how important this issue is to families and small businesses, and I commend Congressman Melancon for advocating on behalf of them to get this amendment passed by Congress.”**

Levee Decertification Background

In 2003, FEMA began modernizing its flood maps, and as part of this process, implemented a policy to verify the status of all levees depicted on Flood Insurance Rate Maps (FIRMs). If FEMA determines a levee would not provide 100 year protection, it is decertified, meaning FEMA will redraw the flood maps as if the levee does not exist at all. Therefore, communities that were previously considered low to moderate flood risks are now considered Special Flood Hazard Areas, and residents must purchase flood insurance at higher rates.

The Melancon amendment mandates that FEMA account for **all** flood protection systems when determining flood risk. The amendment also requires that insurance rates reflect the protection provided by those levee systems, instead of only crediting systems that provide 100-year protection. The Melancon amendment will ensure that flood insurance rates are fair and more accurately reflect flood risk.

[Click here](#) to read the Melancon amendment.

Other provisions of the Flood Insurance Reform Priorities Act of 2010 include:

- Extends the National Flood Insurance Program for five years, through the end of FY 2015.

- For the first time since 1994, raises the maximum coverage limits for flood insurance policies. New coverage limits are:
 - \$335,000 (up from \$250,000) for residences;
 - \$135,000 (up from \$100,000) for residential contents;
 - \$670,000 (up from \$500,000) for non-residential properties.
- Delays for five years the mandatory requirement of the purchase of flood insurance for those homeowners in a neighborhood newly classified as a flood zone – so that these homeowners are not suddenly burdened with these insurance costs.
- Allows families to pay flood insurance premiums in installments.
- Increases penalties for lenders who misrepresent the requirements of the National Flood Insurance Program in order to push borrowers to purchase flood insurance coverage in excess of that which is legally required.

Congressman Melancon has been working with his colleagues for months on a long-term extension of the National Flood Insurance Program, which expired several times this year due to inaction by the U.S. Senate.

In April, he told the House subcommittee drafting the legislation the House passed today, “Permanent reauthorization of the National Flood Insurance Program is critical for the hundreds of thousands of Louisiana families for whom flood risk is a part of daily life. After Hurricanes Katrina, Rita, Gustav, and Ike, the protection provided by the NFIP was crucial in helping Louisiana families and businesses to rebuild their homes and lives. Today, the program continues to provide peace of mind for families and businesses in high-risk areas.”

In urging a permanent extension of the flood insurance program, Congressman Melancon reminded the committee members of the vital role coastal Louisiana plays in the nation’s economy. Congressman Melancon noted, “[T]he preservation of these communities benefits not only coastal regions, but the entire nation. Within my state alone, NFIP policies protect an area of the country responsible for one-third of America’s oil and natural gas production. Thirty percent of the seafood consumed in this country is harvested off of Louisiana’s coast. And our ports provide a gateway for billions of dollars of economic activity for the United States. Without the labor force to maintain these operations, citizens across our districts would suffer. For these reasons, we need NFIP policies that support the success of these regions.”

[Click here](#) to read Congressman Melancon’s full statement from April.

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